



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Retain EMCON Associates for Refuse Rate Analysis

MEETING DATE: September 4, 1991

PREPARED BY: City Manager

RECOMMENDED ACTION: That City Council direct the City Manager to execute a contract with EMCON Associates to provide assistance during the upcoming refuse collection rate setting process.

BACKGROUND INFORMATION: The process of setting rates for collection and disposal of solid waste has become increasingly sophisticated over the years. Given that the City will soon be completing its Source Reduction and Recycling Element (SRRE), the degree of complexity associated with this process has now taken a quantum leap.

California Waste Removal Systems (CWRS) has retained Barakat and Chamberlin, Inc., to assist in the preparation of a rate methodology. This methodology will include an analysis of costs associated with performing refuse collection as well as implementing new source reduction and recycling programs. Particular attention will be given to financing and debt service costs of new facilities and equipment. The methodology will then calculate the revenue needed to recover these costs plus a reasonable return.

In order to preserve the best interests of the citizens of Lodi - those interests being, the highest quality service at the lowest possible rate - it is recommended that the City retain experienced professionals, EMCON Associates, to provide assistance in the upcoming rate setting process. These services are especially important since many additional cost variables will be introduced to the process for the first time by the SRRE. EMCON's primary function would be to work with CWRS and overview the development of the methodology. EMCON would provide their perspectives and recommendations from the City's point of view regarding "reasonable" projections of costs, revenues and return. The firm would examine the distribution of the rate burden between residential, commercial and industrial sectors. The firm would also assist the City's Solid Waste Management Task Force, as that citizen review body assumes the added responsibility of providing input to the City Council in the area of rate setting.

One of the greatest values EMCON would bring to this process is their complete understanding of the tasks necessary to implement the SRRE. This knowledge will enable EMCON to insure that proposed collection rates will accurately reflect the costs of implementing the SRRE.

APPROVED: _____

THOMAS A. PETERSON
City Manager



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John F. Boss, Executive Manager of EMCON Associates, supervised the development of the City's SRRE. He would serve as Primary Consultant to the City in the rate setting process. Mr. Boss recently assisted the City of Salinas in its rate negotiations with the City's franchised hauler. He and his associates bring a wealth of knowledge and experience to the City which extends to all aspects of the design and operation of refuse collection, treatment and disposal systems.

Staff is currently finalizing the fees for services with EMCON Associates and will be prepared to present a recommendation to City Council at the City Council meeting of September 4, 1991.

FUNDING: Refuse, Surcharge Fund

Respectfully Submitted,



Thomas A. Peterson
City Manager

TAP: tp

Prepared by Kirk J. Evans
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